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ABSTRACT

A resource allocation and utilization study was undertaken of Tennessee State University and the results, recommendations and policy decisions that evolved are presented. The President's Council, comprised of the President, the Vice Presidents, and the Director of Planning, Management and Evaluation, directed the study. Data from the Office of Institutional Research and other institutions within the state system were also used. It was recommended that: additional security officers be hired and that many of the streets going through the entire campus be closed; salary inequities among lower ranking faculty members be alleviated and faculty salaries be monitored; continue to review future revenue and cost projections for the athletic programs to prevent a deficit budget; allocation be made of additional funds for staff increases in the physical plant area, and for older building maintenance. The College Work Study Program was analyzed and increased monitoring of work study students was suggested. Other areas of financing considered include: departmental budgetary practices, the effect of restricted funding, cost effectiveness in academics, library funding, and student support cost and institutional cost. Three general recommendations that emerged from the study were: (1) implementation of a resource allocation and utilization committee that would continue to make recommendations to the president; (2) formation of a committee on budget priorities; and (3) improvement of staff evaluation instruments. (BH)

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BACK TO THE BASICS WITH RESOURCE ALLOCATIONS

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BACK TO THE BASICS WITH RESOURCE ALLOCATIONS

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During the Sputnik Era, colleges and universities throughout the country experienced tremendous enrollment growth as egalitarian education became a national priority, and all who wanted it had greater opportunities than ever before to attend post-secondary institutions. In order to meet the challenge of educating the masses, colleges and universities made unprecedented changes in expanding facilities, hiring new faculty and staff, revising and implementing new courses and degrees.

However, in recent years, higher education has had to face considerable scrutiny and demands for accountability and efficiency as the years of student protests renewed questions by the public about the role and purpose of higher education. Additionally, many institutions are being confronted with stabilizing or declining enrollments at a time when rising costs and inflation caused them to "tighten their belt" and look for new ways to cut costs. Significant funds and time have been spent in utilizing analytical techniques such as PLANET, SEARCH, RRPM, as well as industrial models such as Planning, Programming and Budgeting Systems (PPBS), Management-By-Objectives (MBO), and in some cases, Zero Based Budgeting (ZBB). These instruments and others were designed to assist in examining how resources are being allocated and utilized as well as how they should be in the future.

Furthermore, internally, institutions found that as they have attempted to make limited resources go around, their departments have shown considerable interest in participating in the art of determining who gets what, when, where, and how. This paper is a case study of a university's involvement in a resource

allocation and utilization study, how the process was initiated and implemented, and the results of the study as well as the recommendation and policy decisions which emerged from the self-examination. When the study was conducted, primary emphasis was placed, because of a time factor, on examining existing data and studies from various areas throughout the campus. The intent of the paper is not to suggest that the examination of basic data and studies should replace more sophisticated resource management tools, but rather to complement these instruments with additional analyses of basic but often ignored data. Additionally, the paper shows how the institutional research and planning offices of the institution worked with the executive council in order to examine fragmented data and studies housed in various departments and transformed them into meaningful policy decisions and recommendations.

Plan and Procedure of the Study

During the initial stages of the resource allocation and utilization study, considerable time was spent by top level management in determining what to examine during a four-month period, and who was to be involved in the study. It was quickly noted that various data existed in offices throughout the institution, and that part of the major task was to coordinate the review of data and studies that were to be collected from various divisions and offices. A resource allocation committee, consisting of the Director of Planning, Management and Evaluation (PME), the Budget Director, and faculty members from the school of business, was appointed by the president. It soon became apparent the committee lacked the clout to collect the necessary data from the various offices. Additionally, problems surfaced from the inability of the committee to reach agreement on what was to be examined and how the review would be conducted.

This first committee was eventually disbanded and the President's Council, the executive council of the university which was comprised basically of the president, the vice presidents, and the PME director took on the task of conducting a resource allocation and utilization study. It was felt that this committee would have the ability to delegate much of the work once decisions were made as to what would be examined during the four months. Some of the major areas that were finally agreed upon to be examined were the physical plant, academics, student affairs including athletics and student services, staffing patterns, salaries, budget planning, safety and security, and the purchasing office. While much of the task of collecting data was delegated by the vice presidents to their staff, all of them also conducted their own independent studies. Data and studies were also collected and conducted by the Institutional Research and the Planning, Management and Evaluation Offices. Frequent meetings were scheduled by the Council in order to discuss the data and studies which had been collected at the divisional levels. During these meetings, questions were raised, suggestions and recommendations were made by different Council members while all data were examined as to their meaning and impact. In some cases, the data and studies impacted other divisons, and follow-up studies were conducted by staffs from two or more divisions. Additionally, data were collected from other institutions within the system. As the review process continued, a clear picture began to focus as to how various units, and the institution as a whole, allocated and utilized resources.

As the result of the resource allocation, a significant number of recommendations emerged. Some of the recommendations could and were implemented immediately while others involved developing long-range strategies for resolving

them as well as additional studies. Furthermore, many misconceptions about the university were dispelled during the study, and top level management also became more aware of the importance and the continuing need for examining the use of resources at the institution. Once the study had been completed, a 400-page resource allocation document was compiled and a series of meetings with academic and non-academic department heads were held by the president and the PME director in order to discuss the findings of the study and the various changes that would be imminent as the result of the study.

Findings and Recommendations From the Resource Allocation Study

Safety and Security

A review of crime reports maintained by the safety and security office and by the city police department revealed that the university was in one of the highest crime zones in the city. Additionally, a review of the size of the security force in comparison with those at system universities located in rural areas revealed that the institution's security department was understaffed since it was about the same size of safety and security offices at institutions in low crime districts. A recommendation was made to allocate additional funds to hire additional security officers during the next budget cycle.

Furthermore, it was also found that the institution had, as is true with many urban institutions, 11 access streets running through the campus which created a traffic problem. It was recommended that future masterplanning include provisions to seal off many of the streets going through the entire campus.

Classification of Personnel

An examination of personnel classification methods at the university and other schools in the system revealed that the institution had an unusually low number (5 percent) of staff classified as administrators as compared to other system schools (14 percent average); while the clerical and support staff was the highest (68 percent) compared to a system average of 47 percent. When systemwide staffing patterns were studied, the university generally showed a large number of staff in the clerical and support category which suggested overstaffing when, in fact, the problem was the result of misclassification of personnel. A follow-up study resulted in the reclassification of personnel at the institution. During the study, it was also noted that there was no consistency in how system institutions classified personnel. For example, at some institutions, administrative assistants were classified as clerical and support while at others they were classified as administrators. Additionally, when salary averages were computed on a systemwide basis, the institution's average salaries in both categories (clerical - support and administrative) were out-of-line with the others as the result of high salaried individuals being classified as clerical and support while relatively few lower paying positions were in the administrative category.

Faculty Salaries

When average salaries for the entire faculty were computed in past years and compared with other system schools, the university total salary averages were below others. During the study, faculty salaries were examined by rank and by numbers of individuals within each rank. A comparison of faculty salaries by rank with those at other institutions revealed that salaries by rank were comparable with other institutions which dispelled the common notion

that the institution's faculty were underpaid. The study disclosed that while other system schools had approximately 50 percent of their faculty in the upper two ranks (professor and associate professor), the university only had 36 percent in the upper ranks indicating that the majority of its faculty were in the lower two ranks (assistant professor and instructor). Recommendations were made to alleviate apparent salary inequities in the lower ranks, and to continue to monitor faculty salaries since eventually more money would have to be allocated to instruction as more faculty moved through the ranks, became tenured, and completed terminal degrees. The recommendation, obviously, would result in a significant reallocation of funds in the future which would have an impact on other areas.

Athletics

The resource allocation study revealed that while the university's athletic program was the only one in the system whose revenues plus state allocations exceeded its expenditures during the past year, that considerable care would have to be exercised in future years to prevent a deficit budget in the program. A recommendation was made to continue to review future revenue and costs projections as well as develop a plan for increasing revenues. As the result of the recommendation, a special committee is currently developing a long range plan for the athletic program.

Clerical Salaries

A study of clerical salaries at the university with similar positions in the metropolitan area disclosed that salaries were generally comparable, and that a primary reason why clerical salaries were higher than at other system institutions was the result of being located in a more competitive urban job market. However, the study showed that a broad distribution of salaries

existed at the institution among clerical with similar skills and experience. A recommendation was made to develop and implement a job classification structure which would set uniform salary standards for clerical positions based on skills and experiences. It was also recommended that an institutional promotion system for clerical personnel be developed and implemented so that existing staff could be promoted into higher paying positions as vacancies occurred since there currently was no promotion program. Additionally, the plan also proposed that a uniform salary scale be developed for entry level clerical positions rather than continue the practice of discretionary salary determination by unit heads.

Distribution of Clerical Support

An examination of staff patterns revealed inequities in the distribution of clerical support staff. While some departments were overstaffed with clerical support, others were understaffed. As the result of the study, a personnel resource committee was formed to develop procedures to eliminate distribution problems through re-assignment, as well as review all future requests for clerical support and make salary recommendations. This ad hoc committee will continue until a formal wage and salary administration program is developed and implemented.

Physical Plant

A study of the physical plant by outside consultants showed that the physical plant department was understaffed and some staff underpaid which created campus maintenance problems. In accordance with the consultant's recommendations, a commitment was made to provide additional funds in the next budget cycle to hire additional staff in the physical plant area.

Additionally, a study of the average age of buildings on the campus as compared with those at other system institutions disclosed that the university had the highest percent of buildings (62 percent) in the 20-60 year old category, and the system school with the next oldest facilities had only 22 percent of its buildings in this category. Since the campus is considerably older than most in the system, it was recognized that additional funds would have to be provided by the institution and its governing board to cover the higher cost of maintaining the physical plant of an older institution.

College Work Study Students

An analysis of College Work Study Students showed that while 1,500 students were in the program, the accountability process used to monitor their activities were inadequate. Additionally, in many cases, the students services were underutilized. Recommendations were made to revise the monitoring process, to develop a plan to better utilize them in filling personnel gaps which exist throughout the campus, and that job descriptions be written for all positions so that students and supervisors would have a clearer understanding of expectations.

Departmental Budgetary Practices

After reviewing the budgetary process, numerous recommendations were made for improving the budgeting process, including sending budget instructions to departments earlier than in previous years, issuing guideline amount in departmental budget categories so that unit heads would know what they could reasonably expect in terms of funding, using zero-based budgeting in equipment allocation, and developing policy guidelines to reduce the amount of discretion and flexibility departments had in reallocating funds in various budget items

after an established cutoff date. Additionally, recommendations were made to reallocate unspent funds at the end of the year, and improve the monitoring of percentage changes in line item that occur as departments reallocate funds internally.

Restricted Funding

A detailed study was conducted on the impact of restricted funds on the university. The study revealed that it took a considerable amount of institutional resources in areas such as the purchasing office, accounting office, physical plant, etc., to monitor and process restricted grants, and that indirect cost charges did not adequately cover these incurred costs. Recommendations were made to conduct an additional study on salaries in restricted projects to see if they were comparable with positions in unrestricted categories, to develop strategies to handle programs whose restricted funds were expiring or being reduced, and to use more rigid standards in determining the potential impact of grant proposals on the institution. Additionally, after the study was conducted on indirect costs, a revised indirect cost scale was implemented.

Cost Effectiveness in Academics

An examination of academic departmental costs revealed that, as expected, that not all academic programs were cost effectiveness. However, an additional study was recommended to determine specific reasons why some programs are more cost effective than others in order to ascertain whether higher costs were the result of departmental inefficiency in allocating and utilizing resources.

Furthermore, the study showed that in comparison with other system schools, the university utilized less part-time faculty than other institutions.

Additionally, while the system's minimum graduation requirements were 128 hours, some of the university's academic departments graduation requirement exceeded this number by up to 20 hours. As the result of the study, a review is currently being conducted on the hours requisites for graduation in all departments. While some programs are required by accrediting associations to have a certain number of graduation hours, excess hours in some departments were the result of departments' increasing graduation requirements over a period of time.

The study also recommended that more part-time faculty be utilized in the future, that some programs utilize mass lecture instructional techniques, and of paramount importance, that any funds saved through the implementation of the above recommendations be retained in the instructional category and be reallocated to hire faculty needed in other academic areas, departmental research grants, academic program development and improvements, and the purchasing of needed supplies and equipment. The concern was that if the funds did not remain in academics, there would be no incentive to reduce costs. Furthermore, if funds were taken from academics, the percentage of E&G (Education and General) money being allocated to the instruction category would be reduced.

Library Allocations

A longitudinal study of library funding patterns showed that the allocation of funds to the library had fluctuated over a period of time. A recommendation was made that a fixed percentage of E&G budget should be allocated to the library in the future in order to alleviate the obvious uncertainty in the procurement of library books and materials because of annual fluctuations in allocation of funds.

Student Support Cost and Institutional Costs

A detailed analysis was conducted on how resources are allocated in the Student Support and Institutional Support categories at the university and at other schools in the system. Many differences existed in the methods used to classify non-academic departments in these categories which caused distortion when institutions were compared. For example, some schools funded the director of housing position in student services while others placed this position in auxiliary enterprises. Other colleges classified their student marching bands in instruction rather than in student services. Additionally, because of high percentages of students from poor families, the university had to allocate considerably more funds to the financial aids office, career planning and placement, student health center, counseling center, etc. The systemwide formula for funding student services was a linear formula while the study revealed that student services expenditures had a non-linear relationship to student enrollment; i.e., certain services had to be offered regardless of an institution's size, and that larger schools in the system got more funds for student services as the result of the formula funding.

In the area of institutional support, recommendations were made for the governing board to re-examine the entire area of indirect costs as presently handled in the formula funding, and that the business operation of TSU needed continued re-examination for cost effectiveness.

General Recommendations

Some general recommendations which emerged from the extensive resource allocation study included:

a. Implementation of a committee on resource allocation and utilization which would continue to examine resource management, and make recommendations to the president.

b. Formulation of a committee on budget priorities to recommend various budget priorities based on the needs, goals and objectives of the institution.

c. Improve staff evaluation instruments designed to monitor personnel performance and productivity. Since the time recommendations were made, a Management-By-Objectives process for academic and non-academic areas has been finetuned and is being implemented on a trial basis, and a revised evaluation process has been developed and are currently being reviewed by faculty and staff.

Summary

The resource allocation and utilization study was of significant benefit in top management's examination of how resources were allocated and utilized throughout the university, and in realizing the importance of the need to improve management techniques. Resource management is now discussed more frequently on a formal basis at council meetings, and there are periodic reviews of the monitoring processes to ensure that the recommendations made in the study are being implemented.

More importantly, many of the recommendations have been implemented and their benefits are being noticed throughout the campus. The study pointed out areas of weakness as well as strengths. The Institutional Research and PME offices have an expanded role in developing improved resource management techniques. They also are responsible for the continuous review of basic data which exists throughout the campus, and in providing detailed analyses and policy recommendations to the council. Many of the same problems at this institution exists at other schools, and hopefully the recommendations given in this paper will encourage institutional research and planning offices to use them as "stepping stones" to conduct their own resource allocation studies.